



#5839

20 February 2012

MR. RONALD J. SORINI

Sorini Samet & Associates LLC (SS&A)
Consulting and Government Affairs Practice
Ten G Street, NE, Suite 710
Washington, DC 20002

Subject: EXTENSION CONTRACT FOR PROFESSIONAL SERVICES

Dear Mr. Sorini:

Please find hereunder the following stipulations to govern this Extension Contract relative to the RP 809+ Apparel Pilot Program, otherwise known as the "SAVE Act" to be enacted into a United States Law that allows duty-free entry for RP Apparel exports using US Fabrics and/or Yarns and duty concessions for RP "Cut and Sew":

1. **Scope of Work.** SS&A shall pursue with complete dedication and work diligently to achieve the passage of the SAVE Act bill. The following shall be the three (3) key benchmarks/components:

- To make the SAVE Act a priority bill in the US Congress specifically the relevant Committees of Jurisdiction and include it as part of a trade bill or other relevant legislation;
- Increase the number of co-sponsors coming from both Houses of the US Congress, sufficient to give convincing impetus for the main sponsoring Senators and Congressmen to have the SAVE Act presented for approval by the US Congress; and,
- Develop a framework document for the approval of the Clothing and Textile Industry Tripartite Council (CTITC) on the labor compliance program.

The document entitled Benchmarks/Components is hereto attached as Annex "A" and shall form part of the contract. This document, among others, specifies the general and specific roles and responsibilities of SS&A under this Contract.

2. **Period.** The Contract between the Department of Trade and Industry (DTI), Government of the Philippines, and SS&A is extended for the period of six (6) months covering March to August 2012. Thereafter, at the option of the DTI, it may extend this Contract based on the satisfaction of the defined benchmarks under paragraph 1 of this Contract.

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A handwritten signature in black ink, appearing to be 'LUP'.

**Office of the Undersecretary
Trade and Investment Promotions Group**

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3. **Payment.** DTI agrees to pay SS&A the amount of US\$25,000.00 per month payable at the end of every month.

This includes normal business costs such as telephone charges, taxi fares, photocopies, messengerial services and travel costs to New York, New Jersey, Massachusetts, Pennsylvania, Washington, D.C., Maryland, Virginia, but travel cost outside Washington, D.C. shall not exceed US\$4,000.00 per quarter. If SS&A is requested by DTI to incur costs that exceed the said amount in any quarter, the additional costs may be invoiced separately with proper documentation.

Expenses other than the normal costs for SS&A members, including air fare, hotel costs, meals and out-of-pocket expenses, and air travel to the Philippines (business class) or other U.S. locations (economy class) outside the areas covered in the preceding paragraph shall be subject to the prior approval of DTI and will be invoiced separately with proper documentations, which shall be based upon actual costs incurred, but such costs are not expected by either party to exceed US\$4,000.00 per quarter. For travels to the Philippines, hotel accommodation shall be for the account of the industry.

4. **Exclusivity/Non-transferability of the Contract.** This Contract may not be transferred or assigned by SS&A to any third party without the prior written consent of DTI or its successor-in-interest. For purposes of this provision, third party to this Contract shall mean any entity or person other than SS&A.
5. **Exemption for Third Party Liability.** SS&A shall hold the DTI exempt/free from any third party claim/liability arising from the performance of or by reason of SS&A's obligations, covenants and stipulations under this Contract.
6. **Periodic Status Report.** SS&A shall provide a written report to the DTI on its activities, transactions, covenants, stipulations, including the details appertaining thereto, and any matter performed under this Contract, every month or whenever required by the DTI to be submitted to the Head of the Garments and Textile Industry Development Office (GTIDO).
7. **Ownership and Confidentiality of Information.** Subject to United States' rules and regulations, studies, researches and recommendations done and reports, documents and papers made and obtained during the period of and by reason of this Contract shall be submitted to the DTI through Undersecretary CRISTINO L. PANLILIO copy furnished Undersecretary ADRIAN S. CRISTOBAL and the Head of GTIDO, monthly or whenever required by the DTI. These shall form part of the monthly written report laid down in the preceding paragraph.

Except when required by the United States' laws and regulations, SS&A shall not divulge or disclose to any third party any information or data obtained or received in the performance of or by reasons of SS&A's obligations, covenants and stipulations under this Contract.

8. **Full Disclosure of Transactions.** SS&A, either as part of its Performance/Status Report or otherwise, shall always provide a good faith and full disclosure of its transactions, including the name, rank and office of the persons, officials or entities they transacted with or met with, in the performance of the obligations, covenants and stipulations under this Contract.

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9. **Prior Notification and Consultation.** To the extent practicable, SS&A shall notify and consult the DTI in advance for any changes in the bill. The DTI shall promptly provide its comments thereto which shall be communicated by SS&A to the sponsor of the bill.
10. **Modification of Previous Contracts.** This Contract modifies the terms of the previous contracts between DTI and SS&A. In case of inconsistency between the Contract and the previous contracts, this Contract shall take precedence over the previous contracts. This Contract can only be modified when done in writing and both parties must agree to such modification.
11. **Resolution of Disputes.** In case of dispute in the interpretation and application of this Contract, the parties shall resolve the dispute through consultations with a view towards reaching amicable settlement.
12. **Termination.** Either party may for justifiable reason(s), terminate this Contract with a thirty (30) day written notice sent by the cancelling/rescinding party clearly stating the reasons therefor.

Should your company accept our proposal, kindly indicate your conformity by signing on the space provided below and return the signed copy to us.

Thank you.

Very truly yours,

For the Department of Trade and Industry


CRISTINO L. PANLILIO
Undersecretary


CONFORME:

For Sorini Samet & Associates LLC

RONALD J. SORINI

Annex "A"

BENCHMARKS AND TIMELINES

Objective

Enactment of the SAVE Act by August 2012

Operating Elements

The Department of Trade & Industry (DTI), working with the Embassy and Consulates of the Republic of the Philippines in the United States (Embassy and Consulates), will exercise overall coordination over the advocacy campaign to secure the passage of the Save Act in 2012. In addition, the DTI, working with the Embassy and Consulates, will direct all actions by the Government of the Philippines with regard to the advocacy effort for enactment of the SAVE Act. The DTI will make available staff and resources of its trade offices in the US for the outreach to the Fil-American community and to the members of Congress in respective areas of jurisdiction of the DTI trade offices, and the Embassy will make available staff and resources, including the Ambassador of the Philippines, for the outreach to the Fil-Am community and members of Congress. The sufficient support and dedicated commitment of the DTI and Embassy is recognized to be an essential element towards meeting the benchmarks and timelines in this document. DTI will undertake the necessary outreach to Congressman Pacquiao and identify the high-level RP Government delegation related to achieving the benchmarks.

Sorini, Samet & Associates (SS&A) will be responsible, in general, for the technical elements of the legislation and will provide advice in coordination and assistance in the execution of the advocacy campaign. SS&A's direct responsibility includes (a) re-drafting the SAVE bill, including developing the language for any additional provisions that may need to be incorporated, and recommending the sponsors for re-introducing the SAVE bill in the 112th Congress; (b) coordinate scheduling of advocacy efforts and activities with Congressional offices; (c) prepare and make available talking points and briefs for the Congressional meetings and other advocacy events; (d) secure support from US industry stakeholders, specifically the US garments retail sector and the US textile sector; (e) provide early alert to opposition that might arise against the SAVE act and provide advice and assistance in dealing with such opposition; (f) provide advice related to the pending Philippine GSP labor case and other labor-related issue related to the enactment of the SAVE Act.

SS&A will work in close coordination with the DTI, Embassy and Consulates in carrying out the action items detailed in this document.

The advocacy effort will include working with various stakeholders in the process leading to enactment of the SAVE Act including: (1) Members of Congress and their staff; (2) the U.S. Administration; (3) the U.S. private sector; (4) the Fil-American community; (5) Young Filipino Professionals (YFPs) in the U.S.; and (5) the media. Further, SS&A shall provide inputs and technical assistance to the Philippine stakeholders (industry and labor associations) in coordination with the DTI, as deemed appropriate.

The following Benchmarks and Timelines have been developed on the basis of the above objective and operating elements.

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Phase 1 – March – May 2012

Activities over the period will attempt to achieve the following:

- A. Continued lobbying with Congress and discussions with the committees of jurisdiction (i.e., Ways and Means and Finance)
- B. US private sector outreach
- C. US private sector lobby day (FedEx, etc.)
- D. Dear Colleague letters from original sponsors seeking additional co-sponsors
- E. Assist in preparations for Philippine Caucus Briefing
- F. Re-engage the U.S. Chamber of Commerce
- G. Visit of Congressman Pacquiao to the U.S. Congress and selected U.S. cities
- H. Monitor development of trade package, work with committee staff to address any issue to allow SAVE Act to be included
- I. As trade package is developed, work with US textile sector to secure continued neutrality and/or general support
- J. Regular updates for all stakeholders (DTI, US apparel, RP apparels, etc.)
- K. Framework on labor compliance program that would transition to a better work program
- L. Advice on the efforts of the tripartite Philippines ILO representatives to secure support for an ILO Better Work program.

Congressional support

The objective of the first phase is to introduce and secure support for the passage of the SAVE Act in both Houses by increasing the number of co-sponsors, gaining expressions of support from Congressional offices, and attaining commitments from key officers to make the SAVE Act a legislative priority. The following activities shall be undertaken:

- Coordinate twelve to eighteen lobby days in Congress with participation of the Ambassador and support of other RP Embassy officials, and industry representatives, and coordinate lobby efforts with Fil-Am community representatives.
 - Meet with new Members of Congress and relevant Committees to seek support and co-sponsors of the legislation
 - Enhance coordination with the Administration, specifically, the USTR Office.
 - Coordinate high profile U.S. private sector and support Fil-Am community lobby days in Washington targeting Congressional and Committee leadership
- Encourage letters of support to Members of Congress from industry supporters
- Encourage letters of support to Members of Congress from Fil-Am community supporters
- Encourage Congressional "Dear Colleague" letters.

Industry Support

Efforts will be undertaken to re-engage those members of the industry who have supported the measure in the past and to expand and further activate the coalition. The action plan for this period will include:

- Communicate with all past supporters of the bill within the U.S. textile, apparel and retail sectors to confirm their continued support, and formally re-launch the coalition effort.
- Identify and communicate with additional members of the U.S. apparel and retail industry to have them join the coalition.

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- Promote outreach by U.S. apparel and retail industry members to relevant U.S. textile mills to encourage further mill support.
- Engage U.S. textile mills and associations on the benefits of the legislation and encourage their support.
- Further identify those industries/companies that do/could have an interest in the Philippines not already part of the coalition and prioritize outreach to them.
- Conduct outreach to minimum of 10 companies during the period.

Fil-Am Support

It is important that the momentum from the Fil-Am community efforts undertaken in the latter part of 2010 be built upon and made more concrete in the first phase of the effort. This requires a leading role in the outreach by DTI working with the Embassy and Consulates, with the advice on the coordination and necessary assistance in the follow up from SS&A. The action elements in this regard, include:

- Establish stronger coordination with the various Fil-Am community groups and organizers to develop a coherent coalition supporting the SAVE Act.
- Formally launch the coalition and re-establish twice monthly coordination calls with targeted assignments and follow-up.
- Assist in the review and updating of materials for use by the coalition.
- Assure that effective website and social media tools are targeted to mobilizing support of the SAVE Act in the Fil-Am community.
- Improved communication infrastructure and optimise its utilization.

Washington Visits of Congressman Pacquiao and/or other High-Level RP Officials

This requires a leading role in the outreach by DTI working with the Embassy and Consulates, with the advice on the coordination and necessary assistance in the execution from SS&A. The action elements in this regard, include:

- Coordination with the office of Congressman Pacquiao on an appropriate day(s) for the visit.
- Arrange for meetings in Washington with Congressional and Committee leadership.
- Organize a "Friends of the Philippines Congressional Caucus" reception.
- Arrange an Embassy reception for the Congressman and Fil-Am community leaders.
- Provide appropriate briefings and materials as needed on the SAVE Act.

In addition, it would be very important if during this first period a senior-level delegation from the Philippines could visit Washington to underline the importance of the initiative to the government of the Philippines and to do additional outreach with the Fil-Am community and private sector coalition.

Phase 2 – June-August 2011

The activities over the period will include the following benchmarks.

- A. Visit by Congressman Pacquiao and/or High Level RP Government Delegation (if not yet undertaken)
- B. Monitor development of trade package, work with committee staff to address any issue to allow SAVE Act to be included



- C. As trade package is developed, work with US textile sector to secure continued neutrality and/or general support
- D. Regular updates for all stakeholders (DTI, US apparel, RP apparels, etc.)
- E. Framework on labor compliance program that would transition to a better work program
- F. Advice on the efforts of the tripartite Philippines ILO representatives to secure support for an ILO Better Work program.

Congressional Support

Continue strong engagement with the key sponsors for the bill to be deliberated in any or both of the committees of jurisdiction. Increase the number of co-sponsors, gain expressions of support from Congressional offices, and attain commitments from key offices to either make the SAVE Act a legislative priority or to attach it as an amendment to another bill.

Industry Support

The following actions will be taken this period:

- Hold a U.S. stakeholder strategy session to identify ways to encourage more industry members to become engaged on the legislation.
- Continue engagement of non-apparel industries with an interest in the Philippines to broaden the support coalition.
- Further engage the U.S. textile industry and their respective associations to promote their support and/or neutrality on the legislation.
- Coordinate with the U.S. Department of Commerce in arranging a trade program in the Philippines for the U.S. textile mill sector, and broaden the recognition of the potential market in the Philippines for U.S. textile exports.

Community Support

The objective for this period will be broadening the awareness of the legislation and its importance to the Fil-Am community, and activating community members in outreach to their representatives. The following activities will be led by DTI and the Embassy and Consulates in close coordination with SS&A.

- Hold bi-weekly strategy calls with the Fil-Am coalition.
- Track the outreach efforts by Fil-Am community groups with members of Congress, and follow-up on such contracts.
- Work with Fil-Am community on at least two lobby days in the Congress.

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